

TABLE 10 TO § 3.300

| Transition period | Percentage of the amount of surplus or non-qualifying minority interest that can be included in regulatory capital during the transition period |
|---|---|
| Calendar year 2014 | 80 |
| Calendar year 2015 | 60 |
| Calendar year 2016 | 40 |
| Calendar year 2017 | 20 |
| Calendar year 2018 and thereafter | 0 |

(e) *Prompt corrective action.* For purposes of 12 CFR part 6, a national bank or Federal savings association must calculate its capital measures and tangible equity ratio in accordance with the transition provisions in this section.

Subpart H—Establishment of Minimum Capital Ratios for an Individual Bank or Individual Federal Savings Association

SOURCE: 78 FR 62269, Oct. 11, 2013, unless otherwise noted.

§ 3.401 Purpose and scope.

The rules and procedures specified in this subpart are applicable to a proceeding to establish required minimum capital ratios that would otherwise be applicable to a national bank or Federal savings association under subpart B of this part. The OCC is authorized under 12 U.S.C. 1464(s)(2) and 3907(a)(2) to establish such minimum capital requirements for a national bank or Federal savings association as the OCC, in its discretion, deems appropriate in light of the particular circumstances at that national bank or Federal savings association. Proceedings under this subpart also may be initiated to require a national bank or Federal savings association having capital ratios above those set forth in subpart B of this part, or other legal authority to continue to maintain those higher ratios.

§ 3.402 Applicability.

The OCC may require higher minimum capital ratios for an individual national bank or Federal savings association in view of its circumstances. For example, higher capital ratios may be appropriate for:

(a) A newly chartered national bank or Federal savings association;

(b) A national bank or Federal savings association receiving special supervisory attention;

(c) A national bank or Federal savings association that has, or is expected to have, losses resulting in capital inadequacy;

(d) A national bank or Federal savings association with significant exposure due to the risks from concentrations of credit, certain risks arising from nontraditional activities, or management's overall inability to monitor and control financial and operating risks presented by concentrations of credit and nontraditional activities;

(e) A national bank or Federal savings association with significant exposure to declines in the economic value of its capital due to changes in interest rates;

(f) A national bank or Federal savings association with significant exposure due to fiduciary or operational risk;

(g) A national bank or Federal savings association exposed to a high degree of asset depreciation, or a low level of liquid assets in relation to short term liabilities;

(h) A national bank or Federal savings association exposed to a high volume of, or particularly severe, problem loans;

(i) A national bank or Federal savings association that is growing rapidly, either internally or through acquisitions; or

(j) A national bank or Federal savings association that may be adversely affected by the activities or condition of its holding company, affiliate(s), or other persons or institutions, including chain banking organizations, with which it has significant business relationships.